

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

Judge Pauley

UNITED STATES OF AMERICA

- v. -

LOURDES BASTARDO,
YDANIA SOSA, and
LEDYS LIZ,

FILED UNDER SEAL

INDICTMENT

08 Cr.

Defendants.

08 CRIM.

623

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FILED
7/10/08

COUNT ONE

(Health Care Fraud)

The Grand Jury charges:

Background

1. The New York State Medicaid Program (the "Medicaid Program") is a federal and state funded plan, affecting commerce, that serves individuals and families who meet specified financial and other eligibility requirements, and certain other individuals who lack adequate resources to pay for medical care. The Medicaid Program provides payment for medical services and products ranging from routine preventive medical care for children to institutional care for the elderly and disabled. Among the specific medical services and products provided by the Medicaid Program are prescription drugs. The Medicaid Program reimburses service providers, such as physicians and pharmacies, directly for any medications or services provided to Medicaid

Program beneficiaries.

2. At all times relevant to this Indictment, Coral Pharmacy was a pharmacy located in New York, New York, and was enrolled in the New York State Medicaid Program as a service provider.

3. At all times relevant to this Indictment, LOURDES BASTARDO, the defendant, was the manager of Coral Pharmacy.

4. At certain times relevant to this Indictment, YDANIA SOSA, the defendant, recruited Medicaid beneficiaries to provide prescriptions to Coral Pharmacy.

5. At certain relevant to this Indictment, LEDYS LIZ, the defendant, recruited Medicaid beneficiaries to provide prescriptions to Coral Pharmacy.

The Fraudulent Scheme

6. As a Medicaid enrolled pharmacy, Coral Pharmacy was supposed to dispense prescription drugs to Medicaid beneficiaries, submit claims to the Medicaid Program for reimbursement for those drugs, and receive payments from the Medicaid Program based on those claims.

7. Between in or about December 2006 and in or about January 2008, LOURDES BASTARDO, YDANIA SOSA, and LEDYS LIZ, the defendants, and others known and unknown, engaged in a scheme to defraud the Medicaid Program by fraudulently obtaining reimbursements from the Medicaid Program for prescription drugs

that were not in fact dispensed.

8. YDANIA SOSA and LEDYS LIZ, the defendants, and others known and unknown, recruited Medicaid beneficiaries to provide prescriptions to Coral Pharmacy by, among other ways, offering to arrange the sale of the beneficiaries' prescriptions to LOURDES BASTARDO, the defendant, and others known and unknown at Coral Pharmacy, in exchange for payment in cash and/or other goods. The cash payments made by BASTARDO and her co-conspirators at Coral Pharmacy to the Medicaid beneficiaries were a fraction of the total reimbursement value of the prescriptions that the Medicaid Program would pay to Coral Pharmacy. In exchange for arranging the transaction, the Medicaid beneficiaries then paid as a kickback to SOSA and LIZ some fraction of the money they had received from BASTARDO, and others known and unknown at Coral Pharmacy.

9. After illegally buying prescriptions from Medicaid beneficiaries, LOURDES BASTARDO, the defendant, and others known and unknown, submitted phony reimbursement claims to the Medicaid Program, in which claims they falsely represented that the prescription drugs had been dispensed and requested reimbursement for the full value of those prescription drugs.

10. Through this fraudulent scheme, Coral Pharmacy obtained the full value of the Medicaid reimbursement for the prescription drugs, pocketing the difference between the Medicaid

reimbursement and the amounts that LOURDES BASTARDO, the defendant, and others working at Coral Pharmacy paid to purchase the prescriptions from the Medicaid beneficiaries.

Statutory Allegation

11. From in or about December 2006 through in or about January 2008, LOURDES BASTARDO, YDANIA SOSA, and LEDYS LIZ, the defendants, and others known and unknown, unlawfully, wilfully, and knowingly, executed and attempted to execute a scheme and artifice to defraud a health care benefit program, to wit, the Medicaid Program, and to obtain, by means of false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, a health care benefit program, to wit, the Medicaid Program, in connection with the delivery of and payment for health care benefits, items, and services, to wit, prescription drugs that were not dispensed.

(Title 18, United States Codes, Sections 1347 and 2.)



FOREPERSON



MICHAEL J. GARCIA JR.
United States Attorney

